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## FISCAL IMPACT REPORT

ORIGINAL DATE 2-10-2007

SPONSOR Rodella LAST UPDATED \_\_\_\_\_ HB 735

SHORT TITLE Rio Arriba County Libraries SB \_\_\_\_\_

ANALYST Dearing

### APPROPRIATION (dollars in thousands)

| Appropriation |         | Recurring<br>or Non-Rec | Fund<br>Affected |
|---------------|---------|-------------------------|------------------|
| FY07          | FY08    |                         |                  |
|               | \$300.0 | Recurring               | General Fund     |
|               |         |                         |                  |

(Parenthesis ( ) Indicate Expenditure Decreases)

Duplicates Senate Bill 116  
Relates to House Bill 99

### SOURCES OF INFORMATION

LFC Files

Responses Received From  
Cultural Affairs Department (CAD)

### SUMMARY

#### Synopsis of Bill

House Bill 735 appropriates \$300 thousand from the general fund for expenditure in FY08 to department of Cultural Affairs State Library division for the grants-in-aid program for library services in El Rito, Embudo Valley, Truchas, and Abiquiu in Rio.

### FISCAL IMPLICATIONS

The appropriation of \$300 thousand contained in House Bill 735 is a recurring expense to the General Fund. Any unexpended or unencumbered balance remaining at the end of FY08 shall revert to the General Fund.

Clarification as to whether or not these funds would supplement or replace local funding for Public Library services is needed. If this is a long-term commitment of the State for these rural communities, the funding needs to be recurring.

## **SIGNIFICANT ISSUES**

House Bill 735 would expand the level of contract awards for the State Grants In Aid To Public Libraries contracts issued through the State Library.

This bill would expand the scope of the NM Administrative Code 4.5.2 State Grants in Aid to Public Libraries contracts issued by the NM State Library. These are currently limited to seven types of supplemental funds that fund the acquisition for library materials, library staff training, library equipment, equipment and operational expenses associated with delivery of services.

Section 4.5.2 of New Mexico of administrative code contains distribution criteria, for 7 grant awards assisting operations and acquisition needs. The grants are intended to develop libraries by supplementing local efforts, and NMAC provides differing grant process for the multiple categories libraries fall into concerning their development status.

## **DUPLICATION, RELATIONSHIP**

House Bill 735 relates to House Bill 99. House Bill 99 appropriates \$1.33 million for operations and salary support to statewide tribal libraries.

House Bill 735 duplicates Senate Bill 116

## **TECHNICAL ISSUES**

Public Libraries that receive funds must be in compliance with NM Administrative Code 4.5.2. This bill would allow the State Library to enhance its service to low income, minority populations who live in rural areas.

The process for distributing these funds would need to be determined. This status differentiation is outlined in the Agency's rule for State Grants-in-Aid to Public Libraries NMAC 4.5.2 This rule has explicit requirements for local financial effort to support public library services. Most of the local governments or non-profit Boards provide limited operational appropriations and salaries to public library staff. Would this General Fund appropriation supplement these local funds or would they replace them?

State Library administration anticipates that it would require an additional three weeks of work from two current full time state employees to monitor this program and provide the following administrative oversight procedures/responsibilities.

- review contracts
- prepare and send out grant distribution letters
- prepare and send out award notices
- grant applications
- grant review
- distribution of grant funds
- documentation of grant expenditures
- contact by telephone
- contact by email

**OTHER SUBSTANTIVE ISSUES**

Although operating expenses are not itemized in the bill, conversations with the employees of these Public Libraries in Rio Arriba County has given the state library employees the impression that these public libraries are seeking state grants in aids funds for operating expenses and personnel costs.

**WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL**

According to the State Library, there would be no directed appropriation for Rio Arriba Public Libraries. Rather, they would continue to benefit from the NM State Library Grants in Aid to Public Libraries Program along with the state's other public libraries.

PD/nt